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POLICEMEN'S PENSION AND RELIEF FUND

CITY OF ALEXANDRIA, LOUISIANA

APRIL 30, 2000

Under provisions of state law, this report is a public document. A copy of the report has been furnished to the chief and chief clerk of the police department. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10-25-00

**POLICEMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA**

APRIL 30, 2000

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor, City Council,
and Board of Trustees
Policemen's Pension and Relief Fund
City of Alexandria, Louisiana

We have audited the accompanying financial statements of the Policemen's Pension and Relief Fund of the City of Alexandria, Louisiana, as of April 30, 2000, and for the year then ended as listed in the table of contents. These financial statements are the responsibility of the City of Alexandria's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the financial statements present only the Policemen's Pension and Relief Fund and are not intended to present fairly the financial position and results of operations of the City of Alexandria, Louisiana, in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial status of the Policemen's Pension and Relief Fund of the City of Alexandria, Louisiana, as of April 30, 2000, and the changes in financial status for the year then ended in conformity with generally accepted accounting principles.

The Policemen's Pension and Relief Fund has not presented the *Schedule of Funding Progress* and the *Schedule of Employer Contributions* that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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The Honorable Mayor, City Council,
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Policemen's Pension and Relief Fund
City of Alexandria, Louisiana

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2000, on our consideration of the Policemen's Pension and Relief Fund's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying financial information listed as additional information in the table of contents is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Payne, Moore & Herrington, LLP
Certified Public Accountants

August 11, 2000

POLICEMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
STATEMENT OF PLAN NET ASSETS
APRIL 30, 2000

EXHIBIT A

ASSETS

Cash	\$ 28,457
Accrued interest receivable	405
Investments, at fair value	
Certificates of deposit	100,519
Due from other funds of the City of Alexandria	
General Fund	<u>88,496</u>
Total Assets	<u>217,877</u>

LIABILITIES

-0-

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS

\$ 217,877

The accompanying notes are an integral part of the financial statements.

POLICEMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
STATEMENT OF CHANGES IN PLAN NET ASSETS
YEAR ENDED APRIL 30, 2000

EXHIBIT B

ADDITIONS	
Employer contributions	\$ 129,430
Investment income	<u>6,298</u>
Total Additions	135,728
DEDUCTIONS	
Plan benefits	<u>135,728</u>
NET INCREASE	-0-
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, BEGINNING OF YEAR	<u>217,877</u>
<u>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, END OF YEAR</u>	<u>\$ 217,877</u>

The accompanying notes are an integral part of the financial statements.

**POLICEMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 2000**

NOTES TO FINANCIAL STATEMENTS

1. PLAN DESCRIPTION, AND SIGNIFICANT ACCOUNTING POLICIES

The Policemen's Pension and Relief Fund (the Fund) of the City of Alexandria, Louisiana, is the administrator of a single-employer defined benefit plan established by state law. The Fund is considered part of the City of Alexandria's financial reporting entity and is included in the City's financial report as a pension trust fund.

The financial statements contained herein present only the Policemen's Pension and Relief Fund and are not intended to present fairly the financial position and results of operations of the City of Alexandria, Louisiana in conformity with generally accepted accounting principles.

Plan Description

On August 19, 1983, the City of Alexandria entered into a merger contract with the Municipal Police Employees' Retirement System (MPERS). The purpose of the merger was to transfer all active policemen who were currently participating in the City's Policemen's Pension and Relief Fund into the state wide Municipal Police Employees' Retirement System in accordance with Act 577 of the 1981 Legislative Session. In addition to the active policemen, all retirees, widows, and survivors were also merged. All full-time policemen hired after July 12, 1977 were directly enrolled in the MPERS through legislative mandate.

In conjunction with the merger of active policemen with the MPERS, the City entered into a private agreement, "No Loss in Benefit Guarantee," with the local policemen which guaranteed that no member would lose any rights or benefits that the member would have been entitled to under Policemen's Pension and Relief Fund of the City of Alexandria. Specifically, the Policemen's Pension and Relief Fund provided a retirement eligibility requirement of 20 years of service at any age. These eligibility requirements were more liberal than those of MPERS in that benefits are not payable until age 50 with 20 years of service, age 55 with a minimum of 12 years of service, or at any age with 25 years of service. Therefore, if a policeman retires prior to age 50, the agreement guarantees that the City will pay the benefit until age 50 at which time MPERS will commence retirement benefit payments.

As a result of the merger, all active policemen are now subject to the benefit formula and retirement eligibility requirements prescribed by MPERS. In addition, all retirees, widows, and survivors were guaranteed to continue receiving their current benefits regardless of MPERS' benefit provisions.

**POLICEMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 2000**

NOTES TO FINANCIAL STATEMENTS

At April 30, 2000, Fund membership consisted of:

Current employees

Vested (20 years of service and age less than 50)	-0-
Retirees and survivors currently receiving benefits	<u>5</u>
	5

Retirement benefits vest after twenty years of creditable service. The plan provides normal retirement benefits after twenty years of service of two-thirds of the highest average monthly salary for any continuous twelve month period of time worked prior to retirement.

Covered employees are not required to contribute to the Fund. The City of Alexandria is required to contribute an amount equal to the current operating deficit of the Fund without regard for reserve requirements accruing or having accrued on an actuarial basis. Benefit and contribution provisions are established by state law and may be amended only by the Legislature of the State of Louisiana.

Significant Accounting Policies

Basis of Accounting - The Fund's financial statements are prepared using the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Required Supplemental Information Not Disclosed

Management has elected to omit the two schedules of historical trend information, a *Schedule of Changes in Plan Net Assets* and a *Schedule of Employer Contributions*, that Government Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements. Management believes that such historical trend information would not be useful since, subsequent to the merger, the Fund only remains contingently liable for certain retirement payments in accordance with the merger agreement as discussed above.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**POLICEMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
APRIL 30, 2000**

NOTES TO FINANCIAL STATEMENTS

Investments - Statutes allow the Fund to invest in securities issued, guaranteed, or insured by the United States government, certificates of deposit of state banks organized under the laws of Louisiana, and national banks having their principal office in the State of Louisiana.

Investments, which consist of certificates of deposit, are valued at cost which equals fair value.

Short-term Interfund Receivables/Payables - During the course of operations, numerous transactions occur between individual funds. These receivables are classified as "due from other funds" on the Statement of Plan Net Assets.

2. CASH AND INVESTMENTS

Cash and investments, at April 30, 2000, consisted of the following:

Cash in bank	\$ 28,457
Certificates of deposit	<u>100,519</u>
	\$ 128,976

The above amounts are classified into the following categories of credit risk:

Insured by Federal depository insurance	\$ 128,457
Uninsured and uncollateralized	<u>519</u>
	\$ 128,976

ADDITIONAL INFORMATION

POLICEMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED APRIL 30, 2000

SCHEDULE 1

CASH IN BANK, MAY 1, 1999		\$ 8,694
RECEIPTS		
Employer contributions	150,000	
Interest received	<u>6,262</u>	
Total Receipts		<u>156,262</u>
 TOTAL CASH AVAILABLE		 164,956
 DISBURSEMENTS		
Purchase of investments-net	771	
Plan benefits	<u>135,728</u>	
Total Disbursements		<u>136,499</u>
 <u>CASH IN BANK, APRIL 30, 2000</u>		 <u>\$ 28,457</u>

See independent auditor's report.

**REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS
AND LOUISIANA GOVERNMENTAL AUDIT GUIDE**

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor, City Council,
and Board of Trustees
Policemen's Pension and Relief Fund
City of Alexandria, Louisiana

We have audited the financial statements of the Policemen's Pension and Relief Fund (the Fund) of the City of Alexandria, Louisiana, as of and for the year ended April 30, 2000, and have issued our report thereon dated August 11, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Policemen's Pension and Relief Fund financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no material instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Policemen's Pension and Relief Fund's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial

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The Honorable Mayor, City Council,
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Policemen's Pension and Relief Fund
City of Alexandria, Louisiana

reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Honorable Mayor, City Council, Board of Trustees, management of the Policemen's Pension and Relief Fund, and the Legislative Auditor's office of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Payne, Moore & Herrington, LLP
Certified Public Accountants

August 11, 2000

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**POLICEMEN'S PENSION AND RELIEF FUND
CITY OF ALEXANDRIA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED APRIL 30, 2000**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? _____ Yes x No

Reportable conditions identified
that are not considered to be
material weaknesses? _____ Yes x None reported

Noncompliance material to financial
statements noted? _____ Yes x No

Prior Year Audit Findings None

Management's Corrective Action Plan Not Applicable

Federal Awards Not Applicable

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable.